

**Minutes of a meeting of the Leicestershire Schools Forum held at Beaumanor Hall  
on Wednesday 6 November 2019 at 2.00 pm**

**Present**

Chris Parkinson	Secondary Academies Headteacher
Kath Kelly	Secondary Academies Headteacher
Julie McBrearty	Secondary Academies Headteacher
James Tickle	Secondary Academies Headteacher
Chris Swan	Secondary Academies Governor
Martin Towers	Secondary Academies Governor
Steve McDonald	Secondary Academies Governor
Dave Hedley	Secondary Academies Governor
Suzanne Uprichard	PRU Representative
Jane McKay	Primary Academy Headteacher
Karen Allen	Primary Maintained Headteacher
Jason Brooks	Special Maintained Headteacher
Carolyn Lewis	CE Representative
Clive Wright	RC Representative
Tracey Foreman	Post 16 Representative
Graham Bett	DNCC Representative

**In attendance**

Jane Moore, Director of Children and Family Services  
 Ivan Ould, Lead Member, Children and Family Services  
 David Atterbury, Head of Service, Education Sufficiency  
 Alison Bradley, Head of Service, Education Quality and Inclusion  
 Jenny Lawrence, Finance Business Partner, Corporate Resources  
 David Heyes, Finance Analyst, Corporate Resources

		<b>Action</b>
<b>1.</b>	<p><b>Apologies for absence/Substitutions</b></p> <p>Apologies for absence were received from Jean Lewis, David Thomas, Troy Jenkinson, Claire Allen, Zoe Wortley and Ros Hopkins.</p> <p>Tracey Foreman substituting for Dawn Whitemore and Jason Brooks was attending as the representative for Maintained Special Schools.</p>	
<b>2.</b>	<p><b>Minutes and Matters Arising</b></p> <p>The minutes of the meeting held on Monday 30 September 2019 were agreed subject to the following amendment:</p> <p><u>Agenda Item 4 – Proposed Transfer from Schools Block to High Needs Block 2020/21</u></p>	

	<p>Third paragraph, first sentence should read “The Secretary of State announced there would be additional funding of <u>£700m</u> for special educational needs and analysis of this suggests Leicestershire will receive £5.4m which is insufficient to address the high needs deficit”.</p> <p><u>Matters arising – Proposed Transfer from Schools Block to High Needs</u>  Jenny reiterated her response in the minutes that the County Council held £24.5m in usable revenue reserves made up from £8.5m maintained school balances and £15.5m uncommitted local authority balance.</p>	
<p><b>3.</b></p>	<p><b>2020/21 School Funding Proposal</b></p> <p>Jane Moore introduced this item and explained that the presentation at today’s meeting will give an overview of the consultation and its responses. Following the presentation Schools Forum will be asked to vote on the proposals which will be outlined and to consider the next steps.</p> <p>Jenny Lawrence confirmed the presentation will be emailed to members of the Schools Forum and also published on the Schools Forum website. The timescale for the consultation was short but timescales were given to the local authority by the DfE; the consultation opened on 23 October and closed on 31 October.</p> <p>Jenny outlined the 3 aspects of the consultation to the meeting. There had been 103 responses of which 77% were from headteachers. There was some evidence of misunderstanding of the National Funding Formula (NFF) and Jenny outlined the key points regarding this. Jenny stated that an explanation of what the NFF is, what it does and what it will not do as it stands at the moment will be included in a future headteachers’ newsletter.</p> <p>Jenny went through the High Needs Funding and highlighted that Leicestershire is low funded but also low need. The pure formula is based on current national resource which allocates £2.3m less than current funding. In terms of DfE High Needs benchmarking data the incidence of additionality within the High Needs Formula is low and indicators are shown through research to have a high correlation with SEN EHCPs are in line and expenditure is high.</p> <p>Regulations say that school balances (if schools have a surplus) cannot be removed from school so cannot be used to address the overspend.</p> <p>Jenny stated that there was a DfE consultation out at the moment on changing the conditions and regulations applying to the dedicated schools grant (DSG). If the conditions of the grant are changed the local authority will be required to carry forward the whole of the DSG overspend to be funded from the following year’s grant and remove the requirement of Schools Forum agreement. The consultation also proposes that local authorities may only provide revenue funding to support the Dedicated Schools Grant with the approval of the Secretary of State.</p>	

In terms of School SEN Funding Jenny outlined the key information to the meeting.

Jenny outlined the 3 questions that were asked as part of the consultation.

The sparsity factor has not been previously used and provided a low level of funding. Inclusion keeps alignment between Leicestershire formula and the NFF. The results of the consultation tended to agree with the inclusion of the sparsity factor in the Leicestershire formula.

In terms of mobility this was not an option for Leicestershire to use until now. The DfE have now generated a formula so funding can be received through NFF for this formula. The consultation results were very close with nearly half of the responses agreeing with the inclusion.

In response to concerns about the speed of the consultation information on whether transfers would be possible for 2020/21 was not known until September. Local authorities can only seek approval on a transfer annually and there is no automatic carry forward. The DfE set out the information that should be included in the consultation and Schools Forum can approve up to 0.5%. If approval is not agreed at Schools Forum the local authority can seek approval from the Secretary of State by 28 November. There is no information on whether transfers will be allowable in 2021/22.

Jenny explained the transfer methodology and referred to the proposals effectively maintain the NFF as it had been delivered since 2018/19. The modelling was based on the October 2018 census but final budgets will be based on October 2019 data.

Jenny outlined the actions taken to align expenditure with the grant so far, transfer being one of them. Following this action the deficit will still be £11.4m.

Jenny outlined the context to take into account in taking a decision.

Jenny completed her presentation by outlining the 3 recommendations that Schools' Forum:

- Support the inclusion of the sparsity factor within the school funding formula for 2020/21 onwards;
- Support the inclusion of the mobility factor within the school funding formula for 2020/21 onwards;
- Approve the Transfer of 0.5% (£2m) from the Schools block to High Needs for 2020/21.

Jenny stated that a report would be presented to Cabinet on 22 November outlining the potential changes to the Leicestershire Schools Funding Formula – inclusion of sparsity and/or mobile and the position on requesting a decision from the Secretary of State on Schools Block transfer should Schools Forum not approve.

Karen Allen thanked Jenny for her presentation. In the absence of

Schools Forum member David Thomas Karen Allen read out his response to proposed transfer.

Chris Parkinson asked for an explanation regarding the principle of the NFF that pupils with the same characteristics will be funded at the same rate irrespective of the local authority in which they are educated. He asked for an explanation of how the schools block is calculated by the DfE using secondary and primary units of funding as his understanding is that the minimum level is effectively going to reduce the variation. The variation in secondary units is huge and in some authorities is way in excess of the pupils and their characteristics.

Jenny stated that the calculation of the dedicated schools grant coming into local authorities is not the same as the calculation for the NFF for schools. The reason is that Leicestershire's per pupil funding is lower than Tower Hamlet's was that Leicestershire has relatively lower need. The rates used by the DfE for the NFF are the same for every authority, but authorities attract differing levels of additionality. There is also no guarantee that authorities can afford to fund the NFF as authorities and schools are funded on different data sets, affordability sits with the local authority. Jenny stated that if 50% of Leicestershire schools attract deprivation funding in 2019/20 – moves to 100% attract deprivation funding in 2020/21 the NFF as set out by the DfE is unaffordable.

Chris Parkinson stated that an identical pupil in Tower Hamlet and Leicestershire receive the same amount of funding in 2020/21 if authorities replicated the NFF.

Jenny commented that one of the things Leicestershire raised when the NFF was introduced is the balance between universal factors and additional factors. Under the NFF schools with high levels of deprivation did not gain as expected as a result.

Carolyn Lewis commented on the alignment of deprivation and SEN and the determining of funding as the majority of small village CE primary schools are in low deprivation. Carolyn added that their ethos attracts children with SEND. The feedback from 40 plus schools is that this will disproportionately affect them. The local authority's hourly rate remains at 2013/14 rates so schools are really contributing £7,000 rather than £6,000.

Jenny stated that there is already a process for dealing with schools that are disproportionately affected and have a high proportion of pupils with SEND. There is a process where we compare the £6,000 expected to pay against their notional SEND budget and where in excess make additional payments. The hourly rate is correct for top-up funding and this has not changed for several years. Carolyn Lewis stated that the consultation raised anxiety and the process was not clear. Jenny stated the consultation did not affect this position and the mechanism was agreed through Schools Forum annually and members of the Schools Forum need to ensure that feedback is given to their counterparts. Jenny commented that a fact sheet about school funding is currently being put together.

Graham Bett stated that the consultation outcome was clear. Graham commented that he was interested to know how it would play it out if it was just assumed Schools Forum is about to say the same as the consultation.

Jane Moore stated that the results of the consultation and feedback will be taken on board. In terms of the process a vote will be taken today, Members have asked for views and this will be going to Members next week with an overview. Recommendations will be made to Cabinet on 22 November. Members have approved that the Director can request a decision from the Secretary of State should Schools Forum not approve.

Jane Moore commented that she was under no illusion that Schools Forum will agree to the transfer. The reason for this consultation is that there is a deficit which needs to be addressed and every opportunity of how to address this needs to be explored. If the transfer is not moved forward a clear plan will need to be in place and the point about partnership working will be key to this. This is a challenge as this will necessitate a proposal for a strong plan to address the deficit which would require enough evidence for the Lead Member to take forward a recommendation.

Kath Kelly commented that this would come back to schools to accelerate the programme and make further savings and asked if an approach was made to the Secretary of State would it be a 0.5% transfer. Jane confirmed it would be.

Chris Parkinson acknowledged that the only way to do the transfer is capping and one of the things that did come out was the impact of the capping has a disproportionate impact on the schools that are deprived and are the schools that have been underfunded. He added that some schools are significantly losing money which will impact on the delivery overall strategy. Chris stated that schools are signed up and working with the LA to deliver and LSH would welcome the opportunity to work with the LA to expand and grow that strategy. £2m will not actually deliver the plan we have and could indeed put the proposed £2m gain in jeopardy.

Graham Bett stated that the cost of servicing £2m is less than the price schools are being asked to fund. That calculation £2m to schools but is it £2m in the next financial year to the authority. David Heyes commented that it was £2m in 2021.

Discussion took place about the commitment they are making with LSAs as they are now largely only supporting high needs children and most schools are in this situation. This is a piece of work about partnerships but feel schools are propping up this system.

Graham Bett asked about a contribution from the local authority if discussions are about partnership working. Graham suggested that the Secretary of State is not approached but to try and persuade them to provide improved funding for high needs.

Jane Moore stated that there is no money in the local authority to provide

	<p>further funding for high needs SEN and agreed there does needs to be a conversation with the DfE.</p> <p>Mr Ould commented that the local authority is lobbying the Government. Mr Ould is still an active member of the F40 group and has attended meetings. From 2015 EHCPs have accelerated and Tribunals have been awarding against local authorities. Pre 2013 Leicestershire used to provide funding in addition to the government's funding allocation of c£2m. The introduction of DSG meant that money at the rate of spent, not at level of funding, resulting in Leicestershire losing control of £2m. Jane is also responsible for children care where numbers has risen from 350 to 615. The department is overspending and the amount of money going to increase by council tax – additional £40m - children's social care. Partnership is a two way process and if the Director recommends not to do the transfer then Members' response will be where is the £2m coming from.</p> <p>Graham suggested a form of words for Jane to take to the Cabinet meeting "Schools Forum does not agree to the proposals to transfer £2m/0.5% from schools block and asks Leicestershire County Council not to appeal to the Secretary of State but provide for improved funding for high needs SEN, either directly or through improved grant from government. The Forum welcomes work in the high needs programme and will work to bring forward the programme".</p> <p>The following recommendations were presented to Schools Forum and a vote was taken:</p> <p><b>Support the inclusion of the sparsity factor within the school funding formula for 2020/21 onwards.</b> 4 in favour, one not in favour and 6 abstained.</p> <p><b>Support the inclusion of the mobility factor within the school funding formula for 2020/21 onwards</b> 6 in favour, one not in favour and 3 abstained.</p> <p><b>Approve the Transfer of 0.5% (£2m) from the Schools Block to High Needs for 2020/21</b> 12 in favour not to approve the transfer</p> <p>Schools Forum members will be written to following the Cabinet meeting on 22 November 2019.</p>	
4.	<p><b>Any Other Business</b></p> <p>There was no further business.</p>	
5.	<p><b>Date of Next Meeting</b></p> <p>Monday 20 January 2020</p> <p>2.00 – 4.00 pm at Beaumanor Hall.</p>	